

**BEFORE**

**THE PUBLIC SERVICE COMMISSION OF**

**SOUTH CAROLINA**

**DOCKET NO. 2019-326-E**

In the Matter of:	)	<b>APPLICATION OF DOMINION</b>
	)	<b>ENERGY SOUTH CAROLINA,</b>
South Carolina Energy Freedom Act	)	<b>INC., FOR APPROVAL OF THE</b>
(House Bill 3659) Proceeding to Address	)	<b>APPENDIX DESC CS</b>
S.C. Code Ann. Section 58-27-460(A)(1)	)	
and S.C. Code Ann. Section 58-27-	)	
460(A)(2) (Promulgation and Periodic	)	
Review of Standards for Interconnection	)	
and Parallel Operation of Generating	)	
Facilities to an Electrical Utility's	)	
Distribution and Transmission System)	)	

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Pursuant to S.C. Code Ann. § 58-47-460, S.C. Code Ann. Regs. 103-823, Order No. 2020-660, Order No. 2021-439, Section 1.1.1.3 of the South Carolina Generator Interconnection Procedures (“SCGIP”), and other applicable rules and regulations, Dominion Energy South Carolina, Inc. (“DESC”), hereby submits to the Public Service Commission of South Carolina (“Commission”) this Application for: (1) authorization to transition DESC’s generator interconnection study process from a serial study process to a cluster study process (the “Definitive Interconnection Study Process” or “DISP”) pursuant to Section 1.1.1.3 of the SCGIP; and (2) approval of a new DESC-specific Appendix to the SCGIP (the “DESC Proposal”) pursuant to which DESC will administer the Definitive Interconnection Study Process.<sup>1</sup>

The DESC Proposal is attached as **Exhibit 1** and represents a coordinated effort by DESC to reform its interconnection study process both at the federal and state level. Specifically, the Federal Energy Regulatory Commission (“FERC”) has approved corresponding revisions to Attachment M to DESC’s Open Access Transmission Tariff (“OATT”) containing its Large

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<sup>1</sup> Capitalized terms used but not defined in this Application have the meanings given to them in the SCGIP and the DESC Proposal.

Generator Interconnection Procedures (“LGIP”) and Standard Large Generator Interconnection Agreement (“LGIA”). These modifications, along with the SCGIP modifications proposed in this proceeding, will enable DESC’s transition from a serial study generator interconnection approach to a cluster study generator interconnection approach.

As described in greater detail below, the provisions of the DESC Proposal in this proceeding are substantially similar to the Appendix Duke CS (the “Duke Energy Appendix”) that was proposed by Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, “Duke Energy”) and approved by the Commission on June 18, 2021, via Order No. 2021-439. These similarities arise from the fact that DESC and Duke Energy have experienced similar shortcomings and delays under the current serial study process. As explained below, the serial study process is inadequate to efficiently and timely process the large number of requests received by DESC. These inherent difficulties are exacerbated by the nature of solar generation, which comprises a substantial majority of the requests in DESC’s queue. Given that the Commission recently acknowledged that the Duke Energy Appendix could alleviate those difficulties, the DESC Proposal contains very similar mechanisms to those found in the Commission-approved Duke Energy Appendix. As such, DESC respectfully requests Commission approval of the DESC Proposal.<sup>2</sup> Further, given the similarities between the Duke Energy Appendix and the DESC Proposal—and for the convenience of the Commission, its staff, and interested third parties—this Application discusses key concepts in a manner consistent with Duke Energy’s Application, to promote transparency and ease of reference.

In support of this Application, DESC shows the Commission the following:

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<sup>2</sup> As described in greater detail below, DESC respectfully requests approval of this Application based upon the filings of the parties in lieu of an evidentiary hearing.

## I. PROCEDURAL BACKGROUND

The General Assembly, through the passage of Act 62, required the Commission to review current interconnection standards and procedures to “provide for efficient and timely processing of interconnection requests and take into account the impact of generator interconnection on electrical utility system assets, service reliability, and power quality.”<sup>3</sup> On October 10, 2019, Commission Staff opened this docket to address the interconnection-related directives contained in Act 62.<sup>4</sup> On September 15, 2020, DESC, Duke Energy, the South Carolina Solar Business Alliance, and Southern Current, LLC, requested that the Commission address Act 62’s requirements contained in S.C. Code Ann. § 58-27-460(A) in two phases. Specifically, the parties proposed that in the first phase, “the Commission would consider proposed revisions to the [SCGIP] to establish an alternative process for studying certain large generators requesting interconnection.”<sup>5</sup> The parties further proposed that the “second phase of work would involve comprehensive revisions to the other portions of the SCGIP not implicated by the Duke Queue Reform Proposal, and would be proposed by the Duke Utilities, DESC, the Solar Intervenors, and potentially other interested parties, after a series of stakeholder meetings intended to seek consensus on proposed reforms.”<sup>6</sup> On October 1, 2020, the Commission approved this two-phased approach.<sup>7</sup>

On November 17, 2020, Duke Energy filed an application for approval of jointly-supported limited enabling revisions to the SCGIP and approval of the Duke Energy Appendix. That same day, DESC submitted a letter to the Commission which expressed DESC’s support for the enabling

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<sup>3</sup> S.C. Code Ann. § 58-27-460(A).

<sup>4</sup> Order No. 2019-728.

<sup>5</sup> Joint Request submitted in this docket on September 15, 2020.

<sup>6</sup> *Id.*

<sup>7</sup> Order No. 2020-660.

revisions proposed by Duke Energy, while noting that “DESC anticipates filing a proposal for a DESC-specific cluster-study process at a later date as part of the phased approach approved by the Commission in this docket.”<sup>8</sup> On June 18, 2021, the Commission approved Duke Energy’s proposed enabling revisions to the SCGIP allowing utilities in South Carolina to implement an alternative cluster study interconnection process.<sup>9</sup> The Commission also authorized Duke Energy’s request to transition their South Carolina generator interconnection process to a Definitive Interconnection Study Process—similar to DESC’s request in this proceeding—pursuant to the Duke Energy Appendix.<sup>10</sup> The Commission’s approval of the enabling revisions to the SCGIP allowed DESC to continue to process Interconnection Requests under a serial study process and provided DESC flexibility to evaluate whether to transition to a Cluster Study Appendix (subject to the Commission’s review and approval) in the future pursuant to Section 1.1.1.3 of the SCGIP.

## II. STAKEHOLDER ENGAGEMENT

In response to Act 62’s requirement to review the SCGIP and the Commission’s opening of this docket, DESC initiated a wide-ranging stakeholder process and engaged an industry-leading consultant to explore potential solutions under the current serial process as well as review any efficiencies that could be gained through other processes—such as the cluster study process. Subsequent to the Commission’s approval of the enabling revisions to the SCGIP, DESC hosted stakeholder workshops to solicit feedback on the DESC-specific cluster study filing.<sup>11</sup> To facilitate stakeholder input, DESC invited participation from a wide range of its stakeholders, including

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<sup>8</sup> Letter of Support filed by DESC in this docket on November 17, 2020.

<sup>9</sup> Order No. 2021-439.

<sup>10</sup> *Id.*

<sup>11</sup> As noted above, DESC first alerted to the Commission of the possibility of this subsequent DESC-specific filing by letter dated November 17, 2020.

Interconnection Customers in DESC's Queues, owners of active generation facilities with more than 20 kW of Maximum Generating Capacity, intervenors in the Commission's proceeding considering modifications to the SCGIP, transmission customers under DESC's OATT, and other South Carolina utilities and trade groups. DESC convened three separate stakeholder meetings on February 10, 2021, April 15, 2021, and April 29, 2021. DESC posted the presentations provided to stakeholders, a question and answer document, a draft of SCGIP revisions, and an outline of DESC's queue reform stakeholder process on its OASIS and on an external webpage dedicated to renewable energy interconnection under the SCGIP.<sup>12</sup> DESC used these documents to facilitate robust discussion and solicit feedback and questions throughout the stakeholder process. The materials presented at each of these workshops are attached as **Exhibits 2, 3, and 4**, respectively. As outlined by those exhibits, DESC presented detailed information ranging from overall strategy and timing of the cluster-study filing to specific details regarding the actual process and specific examples of modifications in response to stakeholder feedback. Through these efforts, DESC achieved significant stakeholder consensus regarding the implementation and administration of the proposed cluster-study process, all of which is outlined in the DESC Proposal.

### **III. DESC'S RECENT EXPERIENCE UNDER THE SERIAL STUDY PROCESS**

DESC is a public utility engaged in the generation, transmission, distribution, and sale of electricity to retail and wholesale customers. DESC operates an integrated electric utility system that serves approximately 760,000 customers in 24 counties in central, southern, and southwestern South Carolina. DESC's service territory covers nearly 16,000 square miles in South Carolina, including the metropolitan areas of Charleston, Columbia, Beaufort, and Aiken, and it also

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<sup>12</sup> Available at <http://www.oasis.oati.com/sceg/index.html> (Folder "Generator Interconnection Information", subfolder "Generator Interconnection Reform"); <https://www.dominionenergy.com/south-carolina/save-energy/renewable-energy-developers>.

includes many other smaller cities, towns, and rural areas in South Carolina. DESC's state interconnection queue is administered pursuant to the SCGIP, which was initially approved by the Commission on April 26, 2016, via Order No. 2016-191. The SCGIP regulates DESC's process for studying Interconnection Requests submitted by South Carolina Interconnection Customers subject to the Commission's jurisdiction, including qualifying facilities ("QFs") under the Public Utility Regulatory Policies Act of 1978 ("PURPA").

a. Growth of Solar on DESC's System

Act 62's requirement to review the SCGIP is particularly relevant given the recent and substantial expansion of solar in South Carolina. Over the last several years, South Carolina has enacted legislation that resulted in the meaningful increase in the adoption of solar throughout the State. In 2014, the General Assembly passed Act 236, which spurred investment in solar generation by mandating solar procurement through a distributed energy resources program. Act 236 also required the Commission to promulgate interconnection processes for state-jurisdictional QFs. In 2019, the General Assembly passed Act 62, which furthered opportunities for developing renewable energy. As a result, DESC has added substantial amounts of QF solar and has received a flood of interconnection requests in recent years. For example, in the summer of 2019, the nameplate capacity of utility-scale solar generation on the DESC system was approximately 498 MW. For the summer of 2020, the nameplate capacity of utility-scale solar generation on the DESC system was approximately 863 MW—an almost 75% increase year-over-year. As of June 2021, DESC had over 1,000 MW of solar photovoltaic generation systems comprised of residential, commercial, utility-scale, and community solar. In total, there are 124 projects in DESC's interconnection queues (complete and in-process projects) exceeding 7,837 MW of aggregate capacity on the DESC system, which has an all-time historical peak load of 4,970 MW.

Although these numbers represent recent growth in projects that have reached commercial operation on the DESC system, the expansion of actual requests—not just projects achieving commercial operation—since the inception of solar expansion in South Carolina is even more dramatic. From early 2014, through June 30, 2021, DESC received 585 total interconnection requests—many of which never achieved commercial operation—in DESC’s Queues for generation projects equaling approximately 12,883 MW. This means that for every one project that reaches commercial operation and is added to DESC’s system, there are multiple other requests for projects to be studied in the interconnection queue that may never reach commercial operation—yet DESC must process those projects in accordance with the SCGIP just as it does those projects that reach commercial operation, to ensure a timely and efficient interconnection process.

By consistently working through these requests under the SCGIP, DESC has discovered limitations inherent to the serial generator interconnection study approach—particularly as it relates to processing a large number of interconnection requests. These limitations result in substantial delays in studying projects and progressing the queue. For example, simply studying this number of projects on a first come, first served basis takes substantial time and effort. These difficulties are compounded when projects withdraw from the queue, because such a withdrawal can lead to cascading restudies. These difficulties are alleviated under the cluster study process because projects are studied in “clusters,” which substantially reduces processing times and aids in efficient administration of the interconnection queue.

b. Increase in Study Complexity

The inherent limitations in studying such a large number of projects in a serial fashion arise regardless of the type of generation, but variable solar QF generators present particular study

challenges and concerns. The overwhelming majority of requests received by DESC are for variable solar QF generators. As the level of non-dispatchable QF solar generation on DESC's system continues to climb, studying the incremental impact of each additional project becomes progressively more difficult from an engineering perspective. However, an accurate evaluation of these projects is critical because DESC not only must operate its system according to NERC Reliability Standards—which include the requirement to balance supply and demand—but also the majority of these generating facilities fall under PURPA's must take requirement, which means that the QF must simply deliver energy to the DESC system. In those scenarios, it is DESC's responsibility to account for these QF, intermittent generators to ensure there is available distribution and transmission capability to deliver the energy to its customers. Transitioning to the cluster study process will ensure that DESC remains able to fully evaluate these solar generators, but also conduct these evaluations in a timely manner.

c. Statewide and National Trend Toward Cluster Study Process

The benefits of the cluster-study process are increasingly being recognized both in this state and across the country. For example, this very Commission acknowledged the potential benefits of the cluster study process when it approved the initial enabling revisions to the SCGIP and Duke Energy's cluster-study process. Specifically, the Commission noted that the “existing serial queuing and study process is no longer capable of managing the significant number of new Interconnection Customers requesting to connect to the Duke systems.”<sup>13</sup> In contrast, the cluster study process permits “ready projects to be clustered and studied together and then allocates the costs to interconnect among all Interconnection Customers in the cluster based on their relative

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<sup>13</sup> Order No. 2021-439 at 7.



impact to the grid.”<sup>14</sup> According to the Commission, the cluster-study approach approved in the Duke Energy Appendix ensures that the “generator interconnection process is efficient, reasonable, and non-discriminatory for all Interconnection Customers.”<sup>15</sup> As outlined herein, DESC’s experience under the SCGIP is substantially similar to Duke Energy’s experience—which includes a substantial volume of requests and corresponding delays under the serial study process. As such, the DESC Proposal is substantially similar to the Duke Energy Appendix and seeks to achieve the same benefits outlined by the Commission in its order approving the same.

Likewise, as described in greater detail by Duke Energy’s application proposing the initial enabling revisions to the SCGIP, utilities, Regional Transmission Organizations (“RTO”), and Independent Service Operators (“ISO”) across the country have transitioned from a serial generator interconnection process to a cluster study generator interconnection process. For example, Public Service Company of Colorado (“PSCo”) and PacifiCorp recently proposed queue reform revisions to transition to a definitive interconnection cluster study processes. Both applications received FERC approval.<sup>16</sup> Notably, the Order approving PSCo’s transition to a Definitive Interconnection Study Process—similar to the processes proposed by DESC in this proceeding—found that the “readiness milestones should help make the interconnection process more efficient for Interconnection Customers with projects that are ready to proceed through the queue.”<sup>17</sup> Likewise, FERC approved PacifiCorp’s queue reform proposal, finding that the reforms “represent a just and reasonable solution to address the backlog of generation interconnection requests in [PacifiCorp’s] queue.” Finally, the California Independent System Operator

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<sup>14</sup> *Id.* at 10. (internal quotations omitted).

<sup>15</sup> *Id.*

<sup>16</sup> *PSCo December 2019 Order Approving Queue Reform*, 169 FERC ¶ 61,182 (2019); *Order on PacifiCorp Queue Reform*, 171 FERC ¶ 61,112 (2020).

<sup>17</sup> *Order on PacifiCorp Queue Reform*, 171 FERC ¶ 61,112 at P 30.

(“CAISO”), Midcontinent Independent System Operator, Inc. (“MISO”), PJM Interconnection, LLC (“PJM”), and ISO New England (“ISO-NE”) use cluster studies to administer the generator interconnection processes.

#### IV. KEY PROVISIONS OF THE DESC PROPOSAL

DESC developed the DESC Proposal in concert with input from its consultant and various stakeholders. As part of these efforts, DESC carefully reviewed certain industry benchmarks—including Duke Energy’s Commission-approved proposal and relevant FERC precedent—which DESC believes are akin to best practices. As such, the DESC Proposal is substantially similar to the Duke Energy Appendix.<sup>18</sup> This proposal would be available to all Interconnection Customers not eligible for study under SCGIP Section 2 (20 kW Inverter Process) or SCGIP Section 3 (Fast Track Process).<sup>19</sup> The DESC Proposal contains, among other things, provisions addressing:

- Requirements to enter a cluster, including deposit amounts;
- Exchange of information to perfect an Interconnection Request;
- Site control requirements;
- Initiation of a cluster and the DISIS necessary to progress through the study process;
- Cost allocation associated with the required interconnection studies and the facilities necessary to facilitate the interconnection;
- Readiness Milestones and security requirements;
- Penalties for withdrawing from a cluster;
- The process after the DISIS leading to the execution of an interconnection agreement;

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<sup>18</sup> See generally Order No. 2021-439; PSCo Order; see also 2020 Tri-State Order; PacifiCorp Order; PSCo Order; PNM Order.

<sup>19</sup> The Duke Energy Appendix only permits Interconnection Customers greater than 250 kW to participate in the cluster-study process.

- An informational interconnection study process; and
- Options available to Interconnection Customers to effectuate the transition to a clustering approach.

Although there are substantial similarities between DESC's proposed cluster-study appendix and the Duke Energy Appendix, there are minor differences as well. The differences appearing in the DESC Proposal are largely the result of stakeholder feedback received by DESC and primarily relate to certain time frames afforded to customers under the cluster-study process, as outlined in greater detail below. Despite these differences, the DESC Proposal remains substantially similar to Duke Energy's and therefore will aid in the timely and efficient processing of interconnection requests in accordance with Act 62 while also providing a Commission-approved set of procedures for interconnecting generators. The key provisions of the DESC Proposal are outlined below.

**a. The Definitive Interconnection Study Process ("DISP")**

**i. Informational Interconnection Study (Appendix DESC CS § 4)**

Section 4 of the DESC Proposal contains a new study option called the Informational Interconnection Study, which is substantially similar to Duke Energy's approved process.<sup>20</sup> The intent of the Informational Interconnection Study is to aid a prospective Interconnection Customer in its business decisions related to interconnection of a Generating Facility prior to entering the DISP. The Informational Interconnection Study consists of analysis based on the project-related assumptions and scope of work specified by the Interconnection Customer and agreed to by DESC in the Informational Interconnection Study Agreement. The Informational

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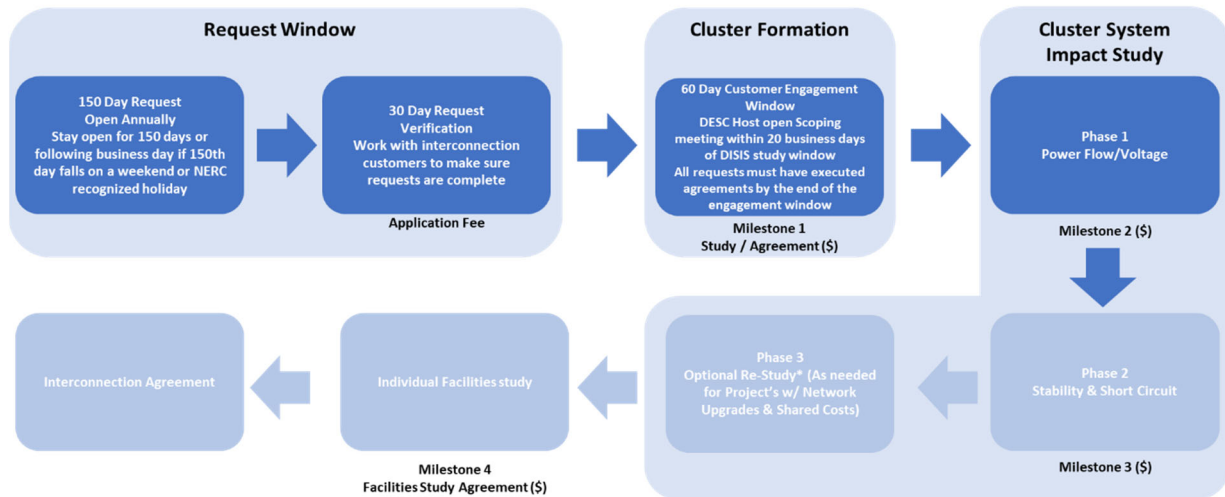
<sup>20</sup> The substantive difference primarily relates to timing. Duke Energy's process requires Duke Energy to provide the study agreement and estimate of costs and timing within five Business Days of receiving a request, whereas the DESC Proposal requires the same to be provided within ten Business Days.

Interconnection Study preliminarily identifies the potential Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to interconnect a proposed Generating Facility based upon the results and project-related assumptions of the Informational Interconnection Study. DESC will utilize existing studies to the extent practicable in conducting the Informational Interconnection Study. Interconnection Customers evaluating different options (such as different sizes, sites, or voltages) are encouraged but not required to use the Informational Interconnection Study process before entering the Definitive Interconnection Study Process. A prospective Interconnection Customer may request at any time that DESC perform Informational Interconnection Studies. The Interconnection Customer must submit a separate Informational Interconnection Study Request (Attachment 3) for each Generating Facility and may submit multiple Informational Interconnection Study Requests for different Generating Facility sizes or configurations at a single site. Developers are limited to five requests for Informational Interconnection Study reports and are required to submit a \$10,000 deposit with each request if more than one request is for a single Generating Facility or site. This process is substantially similar to the process approved by the Commission in the Duke Energy Appendix.

ii. Definitive Interconnection Study Process Overview

Similar to the Duke Energy Appendix and other Commission-accepted cluster paradigms, DESC's DISP is a multi-phased process that occurs on an annual basis. An overview of DESC's DISP is contained within Section 5 of the appendix and consists of the following steps: (1) an Interconnection Request window; (2) cluster formation including a Customer Engagement Window; and (3) a cluster system impact study process, consisting of Phase 1, Phase 2 and, if necessary, Phase 3 studies. Figure 1, below, contains a high-level overview of this process.

**FIGURE 1**  
**Phases of Definitive Interconnection Process**



As Interconnection Customers progress through the DISP, they must meet specific Readiness Milestones to demonstrate project readiness and certain financial commitments. Each Readiness Milestone and corresponding financial commitment must be met prior to continuing on to the next stage of the DISP. Also consistent with other Commission-accepted paradigms,<sup>21</sup> the study component of the DISP is a Definitive Interconnection System Impact Study (“DISIS”), which evaluates the impact of a proposed interconnection within the DISIS Cluster on the reliability of the DESC system. The DISIS includes a mandatory Phase 1 study, a Phase 2 study, and, if necessary, a Phase 3 study. Each of the major components of the DISP are explained more fully below.

### **1. Customer Enrollment During DISIS Request Window (Appendix DESC CS § 5.3.1)**

As outlined in Section 5.3.1, prior to commencing the DISIS, DESC will offer enrollment into the upcoming annual DISIS Cluster during a 150-day DISIS Request Window. During this

<sup>21</sup> See Duke Order at PP 13, 51; PSCo Order at PP 11, 30; 2021 Tri-State Order at P 7, 33; 2020 Tri-State Order at PP 7, 29; PacifiCorp Order at P 48.

period, Interconnection Customers may submit Interconnection Requests to be included in the upcoming DISIS Cluster. The DISIS Request Window will be open annually on April 1 and would remain open for 150 Calendar Days. The DISIS Request Window provides interested potential Interconnection Customers the framework through which they may enter the DISIS. The DISIS Request Window will be immediately followed by a 30-day DISIS Verification Period. The DISIS Verification Period permits DESC and Interconnection Customers to work collaboratively to ensure that all relevant data and information associated with the Interconnection Request has been received and verified.

If DESC receives one or more valid Interconnection Requests before the end of the DISIS Verification Period, then DESC commences an initial 60 Calendar Day Customer Engagement Window.<sup>22</sup> The Customer Engagement Window permits DESC and Interconnection Customers to collaboratively build models, confirm data, cure any deficiencies, and generally prepare for commencing the DISIS. The Customer Engagement Window also reduces the risk and cost associated with Interconnection Customers that withdraw from the process prior to commencing the DISIS Cluster study, because withdrawing at this stage will not affect the DISIS results or trigger a Withdrawal Penalty.

## **2. Increased Study Deposits for Interconnection Customers Entering DISIS (Appendix DESC CS §2.1)**

DESC's deposit amounts in Section 2.1 of the DESC Proposal are identical to Duke Energy's required deposit amounts and were agreed to as part of the recent stakeholder process. Under Section 2.1 of the DESC Proposal, to enter the Definitive Interconnection Study Process and be studied during a DISIS Cluster, Interconnection Customers must submit a valid

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<sup>22</sup> Rather than a 150-day DISIS Request Window and subsequent 30-day DISIS Verification Period, the Duke Energy Appendix contains only a 180-day DISIS Request Window.

Interconnection Request before the close of the DISIS Request Window. DESC proposes study deposits for the Definitive Interconnection Study Process under a tiered approach, which would increase deposit amounts based upon size (both in MW and kWac), as specified in the Interconnection Request. Illustrations of these deposit amounts are shown below:

**FIGURE 2**

**Study Deposits**

Size of Project Associated With Interconnection Request	Amount of Deposit
$\leq 1$ MW	\$10,000+ \$1/kWac
$>1$ MW $< 20$ MW	\$20,000 + \$1/kWac
$\geq 20$ MW $< 50$ MW	\$35,000 + \$1/kWac
$\geq 50$ MW	\$50,000 + \$1/kWac

**3. Pre-DISIS Customer Engagement Window (Appendix DESC CS § 5.3.1)**

As noted above, at the close of the DISIS Request Window, DESC will initiate a DISIS Verification Period. The DISIS Verification Period is a 30 Calendar Day period during which DESC will identify, and the Interconnection Customers will correct, any missing information needed prior to beginning the 60-day Customer Engagement Window. DESC proposes to open the Customer Engagement Window upon the close of the DISIS Verification Period. During this Customer Engagement Window, DESC will work with Interconnection Customers to verify data and obtain all information needed to build study models, cure any deficiencies in the Interconnection Requests, and generally prepare for the start of the DISIS. DESC and Interconnection Customers must meet certain requirements prior to the close of the Customer Engagement Window.

During the Customer Engagement Window, and within 20 Business Days after the close of the DISIS Verification Period, DESC will host an open Scoping Meeting for all Interconnection Customers with Interconnection Requests received in the DISIS Request Window. DESC will also hold individual customer-specific Scoping Meetings if requested by an Interconnection Customer within five days of the larger Scoping Meeting. The purpose of the Scoping Meeting is to discuss alternative interconnection options; to exchange information, including any available transmission data that would reasonably be expected to impact such interconnection options; to review such information; and to determine the potential feasible Points of Interconnection. Although the Duke Energy Appendix requires Duke Energy to hold such Scoping Meeting within 10 Business Days, this 20-day window ensures that all parties have time to prepare for and maximize the effectiveness of that meeting, which is critical to ensure the success of the interconnection process.

At the close of this Scoping Meeting, the objective is for each Interconnection Customer to have a definitive project size and Point of Interconnection to facilitate an efficient Cluster Study. An Interconnection Customer must select a single definitive Point of Interconnection to be studied no later than the execution of the Definitive System Impact Study Agreement. The Interconnection Customer must also provide affirmation of site control for the proposed Generating Facility site and for all required Interconnection Facilities to the designated Point of Interconnection no later than commencement of Phase 1 of the DISIS process described in the DESC Proposal Section 5.3.7.1.

Similar to the Duke Energy Appendix, DESC proposes to provide each Interconnection Customer requesting to enter the DISIS cluster a non-binding updated good faith estimate of the cost and timeframe for completing the DISIS, while each Interconnection Customer must: (1) execute a DISIS Agreement; (2) provide initial security equal to one times the study deposit; and



(3) provide evidence satisfactory to DESC of either an initial Readiness Milestone (M1) or additional security in the form of a letter of credit or cash in lieu of the M1 Readiness Milestone equal to one times the study deposit.

**4. Definitive Interconnection System Impact Study (Appendix  
DESC CS § 5.3.5 – 5.3.9)**

During the DISIS phase, all Interconnection Customers for that cluster are processed through a phased study process to minimize restudies caused by Interconnection Customers withdrawing from the Queue. Interconnection Customers still must first execute a Definitive Interconnection System Impact Study Agreement (“DISIS Agreement”). Unless otherwise agreed, DESC proposes to provide the Interconnection Customer with a DISIS Agreement within 30 Calendar Days of DESC’s acknowledgement of a valid Interconnection Request requesting that a DISIS be performed. An Interconnection Customer must execute a DISIS Agreement (included as Attachment 4 to the DESC Proposal) no later than the close of the Customer Engagement Window, or its Interconnection Request will be withdrawn. The DISIS Cluster, therefore, shall consist of all eligible Interconnection Requests that have (i) satisfied M1 (or provided financial security in lieu of M1), (ii) executed a DISIS Agreement, and (iii) provided all required information before the close of the Customer Engagement Window.

Similar to the DISIS procedures accepted in the Duke Energy Appendix, DESC’s proposed DISIS is a three-phased study process in which Phase 1 consists of a power flow and voltage analysis and Phase 2 is comprised of a short circuit analysis and a stability analysis. Phase 3 includes any DISIS restudies, which consist of a power flow/voltage analysis, a short circuit analysis, and/or a stability analysis, as needed. The DISIS report(s) would state the assumptions upon which the report is based, state the results of the analyses, and provide the requirements for, or potential impediments to, providing the requested interconnections—including a preliminary

indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The DISIS report would also include a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith preliminary estimate of the required Upgrades, including cost responsibility for Interconnection Customers in the Cluster, and a non-binding good faith estimated time to construct.

Also similar to the Duke Energy Appendix, Section 5.3.7 describes the ongoing customer engagement and reporting process that will occur after Phase 1, Phase 2, and Phase 3 (if necessary), culminating in a final Post-DISIS Report Meeting. Specifically, within 10 Business Days after furnishing a final DISIS study report to Interconnection Customers within the DISIS Cluster and posting the report on DESC's website, DESC proposes to convene an open meeting to discuss the results. DESC will, upon request, meet with individual Interconnection Customers after the study report is provided. Likewise, if additional restudies are required before moving to the Interconnection Facilities Study, all Interconnection Customers are required to provide certain updated information (outlined in Section 5.3.10) within 20 Calendar Days of the Phase 3 Report Meeting.<sup>23</sup>

**5. Expedited DISIS for Distribution-Level Interconnection Customers Not Causing or Contributing to Network Upgrades During Phase 1 (Appendix DESC CS § 5.3.7.1)**

DESC will notify distribution-level Interconnection Customers that will not cause or contribute to the need for Network Upgrades during the post-Phase 1 Customer Engagement Window and offer to complete an individual distribution-level System Impact Study instead of

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<sup>23</sup> Interconnection Customers that fail to provide such updated information by the required date shall be deemed withdrawn from the Queue.

proceeding further to Phase 2 of the DISIS. Under this process, such identified Interconnection Customers can more expeditiously proceed to a Facilities Study and an Interconnection Agreement versus awaiting completion of the more detailed Phase 2 Study (and potential Phase 3 restudies) required through the DISIS Cluster Study. These projects also avoid DISIS costs after Phase 1 and will only be assigned their study costs to complete the distribution-level System Impact Study.

#### **6. Resource Solicitation Cluster (Appendix DESC CS § 5.3.2)**

DESC has also incorporated an alternative process—similar to Duke Energy’s and PSCo’s processes—to govern the initiation and administration of a Resource Solicitation Cluster under a Commission-approved Competitive Resource Solicitation. The inclusion of Resource Solicitation Cluster facilitates the addition of Network Resources to its Transmission System through a Resource Solicitation Process.

#### **7. Allocation of Study Costs and Interconnection Facilities and Upgrade Costs to Interconnection Customers (Appendix DESC CS § 5.3.3 - 5.3.4)**

DESC will determine each Interconnection Customer’s share of the costs of completing the DISIS by allocating: (1) ten percent (10%) of the applicable study costs to Interconnection Customers on a per capita basis based on number of Interconnection Requests included in the applicable Cluster; and (2) ninety percent (90%) of the applicable study costs to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster.

### **FIGURE 3**

#### **Example of Allocation of Study Costs in DISIS Cluster**

1,000 MW capacity in Cluster Study Hypothetical Study Cost = \$75,000			
	10 MW Interconnection Request	90 MW Interconnection Request	900 MW Interconnection Request
<b>10% per capita allocation</b>	$10\% * 1/3 = 3.33\%$	$10\% * 1/3 = 3.33\%$	$10\% * 1/3 = 3.33\%$
<b>90% pro rata allocation</b>	$90\% * 10/1000 = 0.9\%$	$90\% * 90/1000 = 8.1\%$	$90\% * 900/1000 = 81\%$
<b>TOTAL</b>	$3.33\% + 0.9\% = \mathbf{4.23\% \text{ total}}$  Hypothetical Cost: $\$75,000 * 4.23\% = \$3,173.50$	$3.33\% + 8.1\% = \mathbf{11.43\% \text{ total}}$  Hypothetical Cost: $\$75,000 * 11.43\% = \$8,572.50$	$3.33\% + 81\% = \mathbf{84.33\% \text{ total}}$  Hypothetical Cost: $\$75,000 * 84.33\% = \$63,247.50$

This cost allocation method ensures that costs are shared in a just and reasonable manner across Interconnection Requests. If an Interconnection Customer exits the Cluster prior to the commencement of Phase 2, then DESC will determine each Interconnection Customer's costs of preparing for and completing the DISIS prior to commencing Phase 2 and will then separately determine each remaining Interconnection Customer's costs for the remainder of the DISIS. If a Phase 3 restudy or general restudy is required, DESC proposes to allocate the costs of the restudy among the Interconnection Customers included in the restudy. Where an Interconnection Customer proposes non-material changes to its Interconnection Request requiring limited project-specific restudy within the Cluster, those costs shall be directly assigned to the requesting Interconnection Customer.

Section 5.3.4 of the DESC Proposal establishes the allocation of Interconnection Facilities and Upgrade Costs within the DISIS Cluster. Costs of Interconnection Facilities are directly assigned to the Interconnection Customers using such facilities, but the costs of Shared Interconnection Facilities shall be allocated based on the number of Generating Facilities sharing the Interconnection Facilities on a per capita basis.

As for Upgrades, Interconnection Upgrades associated with substations or switching stations would be allocated based on the number of Generating Facilities interconnecting at an individual station on a per capita basis, with Interconnection Customers connecting through Shared Interconnection Facilities being considered one customer for purposes of this per capita allocation. All other Network Upgrades would be allocated based on the proportional impact on each Generating Facility on such Network Upgrades, as further outlined in Section 5.3.4(b). Finally, Costs of Distribution Upgrades are allocated to each Interconnection Customer based upon the proportional impact of each individual Generating Facility based upon the need for the Distribution Upgrade. Distribution line work (e.g., reconductoring) would be allocated to those Generating Facilities contributing to the need for the Upgrade on a per MW basis, based upon location (% of Upgrade). All other Distribution Upgrade costs shall be allocated on a per capita basis (i.e., on a per Interconnection Request basis) based upon the number of projects on the feeder or substation contributing to the need for the Upgrade.

#### **8. Readiness Milestones (Appendix DESC CS § 5.3.10)**

The Readiness Milestones proposed in the DESC Proposal are substantially similar to those accepted by the Commission in the Duke Energy Appendix. Satisfaction of the requirements of Readiness Milestones 1, 2, and 3 is required as applicable throughout the DISP to demonstrate the readiness of the Interconnection Customer to develop the Generating Facility. Satisfaction of the requirements of Readiness Milestone 4 is required after the DISP has concluded, but before the Interconnection Agreement is issued by DESC to the Interconnection Customer. An Interconnection Customer who does not satisfy the requirements of an applicable Readiness Milestone (or provide additional security in lieu thereof) would be deemed withdrawn from the Queue and would be required to pay a Withdrawal Penalty. Figure 4 outlines these milestones and

corresponding requirements at a high level, and they are explained in detail below. Note that the financial security amounts provided in the table below for each milestone would be applied towards the security amount required for each successive milestone if the Interconnection Customer does not withdraw. For example, if a projects demonstrates readiness at M1 and provides an amount equal to the study deposit, it would not need to submit an additional amount equal to the study deposit if it demonstrates readiness at M2.

**FIGURE 4**  
**Readiness Milestones in Definitive Interconnection Study Process**

Readiness?	M1 – Due by close of 60 CDs Customer Engagement Window	M2 – Due within 20 CDs of Phase 1 Report Meeting	M3 – Due within 20 CDs of Phase 2 Report Meeting	M4 – Due within 10 CDs of Facilities Study Agreement Delivery
<b>Yes</b>	<u>Financial Security</u>  1x Study Deposit  <u>Readiness options:</u> (1) Executed Term Sheet (2) Reasonable evidence selected in Resource plan or offered into RSP	<u>Financial Security</u>  1x Study Deposit  <u>Readiness options:</u> (1) Executed Term Sheet (2) Reasonable evidence selected in Resource plan or offered into RSP	<u>Financial Security</u>  1x Study Deposit  <u>Readiness options:</u> (1) Executed Contract (2) Reasonable evidence selected in Resource plan and applied for CPCN, if required, or selected in RSP (3) Application meeting all eligibility requirements to participate in a voluntary renewable energy program approved by the Commission pursuant to S.C. Code Section 58- 41- 30	<u>Financial Security</u>  Greater of System Upgrade costs or amount required by Section 5.3.10.4.  <u>Readiness options:</u> (1) Executed Contract (2) Reasonable evidence selected in Resource plan and applied for CPCN, if required, or selected in RSP
<b>No</b>	<u>Financial Security</u>  2x Study Deposit	<u>Financial Security</u>  2x Study Deposit	<u>Financial Security</u>  3x Study Deposit	<u>Financial Security</u>  Greater of System Upgrade costs or amount required by Section 5.3.10.4.

M1 and M2 are satisfied by the Interconnection Customer providing evidence of: (1) an executed term sheet (or comparable evidence of legally enforceable obligation) related to a contract, binding upon the parties to the contract, for sale of the Generating Facility's energy, where the term of sale is not less than five years, or (2) reasonable evidence the project has been selected by DESC in a Resource Plan or is offering to sell its output through a Resource Solicitation Process. M1 and M2 may also be satisfied by providing additional security (described in detail below) in lieu of demonstrating readiness.

The M3 readiness milestone is satisfied by the Interconnection Customer providing evidence of any one of the options below (or by providing financial security in lieu of demonstrating readiness):

- (a) an executed contract, binding upon the parties to the contract, for the sale of the Generating Facility's energy, where the term of the sale is not less than five (5) years, or where the Interconnection Customer has initiated dispute resolution regarding DESC's failure to provide an executable contract or to execute the contract tendered by the Interconnection Customer and, in such circumstances, the Interconnection Customer shall have twenty (20) Calendar Days to execute a mutually-agreeable power purchase agreement or to file a formal complaint with the Commission;
- (b) reasonable evidence that the project has been selected by DESC in a Resource Plan and, if required, has filed an application for a Certificate of Public Convenience and Necessity from the Commission or has received a contract award in a Resource Solicitation Process; or
- (c) Reasonable evidence that the Interconnection Customer's Generating Facility has been included in a submitted application meeting all eligibility requirements to



participate in a voluntary renewable energy program approved by the Commission pursuant to S.C. Code Section 58-41- 30.

The M4 Readiness Milestone must be achieved within 10 days of DESC’s issuance of the Facilities Study Report and is satisfied by the Interconnection Customer providing the pre-payment amount as described below and evidence of one of the options below (or by providing financial security in lieu of demonstrating readiness): (1) executed contract, binding upon the parties to the contract, for the sale of the Generating Facility’s energy, where the term of the sale is not less than five (5) years; or (2) reasonable evidence that the project has been selected by DESC in a Resource Plan and, if required, has received a Certificate of Public Convenience and Necessity from the Commission or has received a contract award in a Resource Solicitation Process Financial security requirements

At M4, all Interconnection Customers must provide increased financial security equal to the greater of 100% of the assigned System Upgrades in the Facilities Study Report or a minimum deposit based upon the Interconnection Customer’s requested Maximum Generating Capacity prior to the interconnection agreement development process in the DESC Proposal Section 5.5. The minimum deposit levels identified below in Figure 5 are also used in the Transitional Serial and Transitional Cluster process.

**FIGURE 5**

**Deposit Amounts**

<b>Size of Project Associated with Interconnection Request</b>	<b>Minimum Deposit Amount</b>
Greater than 1 MW, Up to 5 MW	\$100,000
Greater than 5 MW, Up to 10 MW	\$150,000

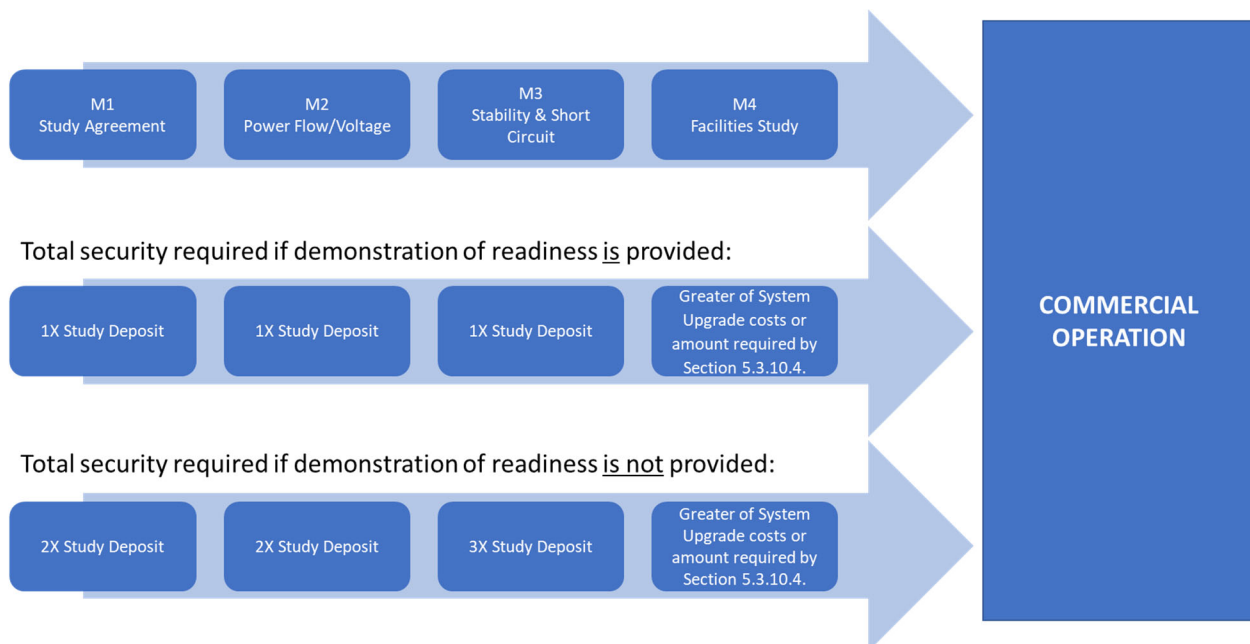
Greater than 10 MW, Up to 20 MW	\$200,000
Greater than 20 MW, But less than 50 MW	\$500,000
Greater than 50 MW	\$800,000

### 9. Financial Security Requirements Under the DISP (Appendix DESC CS § 5.3.11)

Similarly to the Duke Energy Appendix, an Interconnection Customer may opt to provide security in lieu of satisfying the requirements of Readiness Milestones M1 - M4, as described in Section 5.3.10. The security provided is applied towards the security amount required for each successive milestone if the Interconnection Customer does not withdraw. For example, the security provided for M2 is applied to the additional amount of security required for M3. The amount of security required for each Readiness Milestone for Interconnection Customers that do not provide a demonstration of readiness is illustrated by Figure 6, below.

**FIGURE 6**

#### Financial Security Requirements



If an Interconnection Customer is initially required to provide increased financial security under Section 5.3.11 because it cannot satisfy the requirements of a Readiness Milestone under Section 5.3.10, but subsequently does satisfy those requirements prior to the next Readiness Milestone, its security shall be reduced accordingly.

#### **10. Withdrawal Penalty (Appendix DESC CS § 5.7.3)**

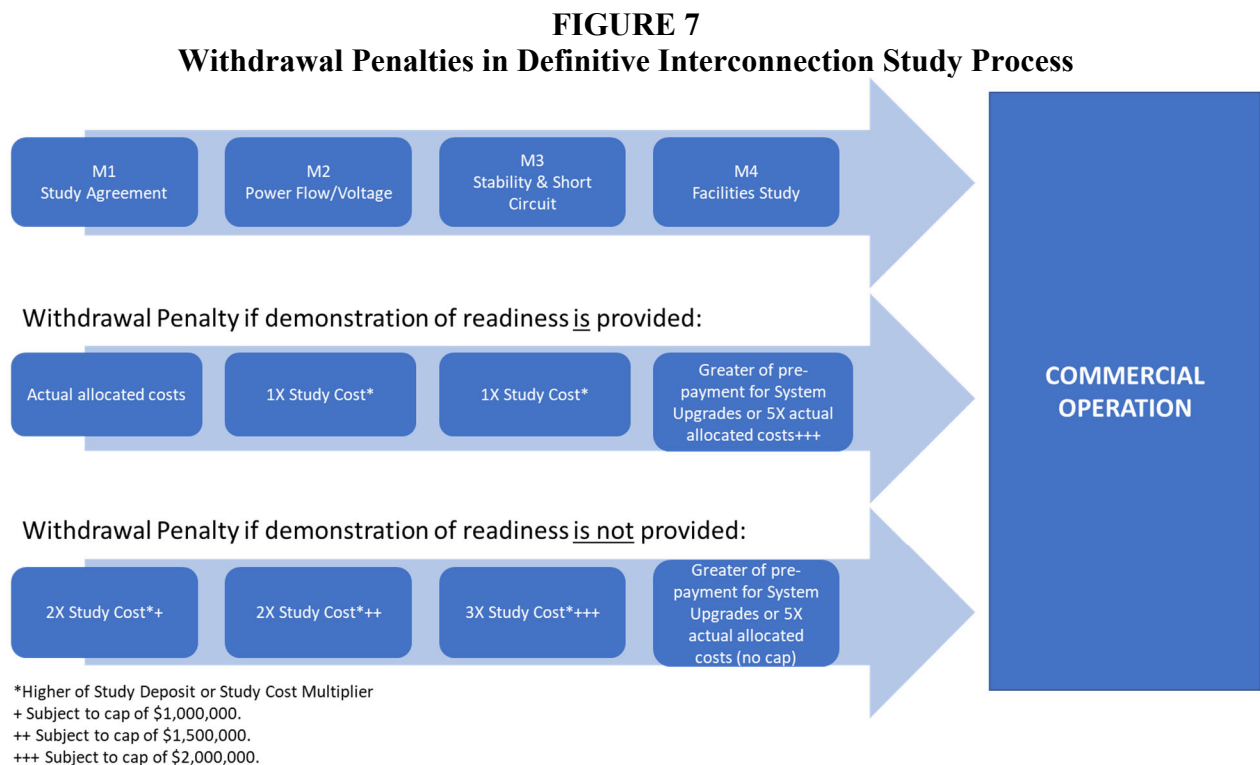
DESC's proposed Withdrawal Penalty structure is outlined in Section 5.7.3 and is based upon Duke Energy's and PSCo's process, which is designed to balance the interests of all Interconnection Customers by providing redress for Interconnection Customers that are adversely impacted by another Interconnection Customer's withdrawal.<sup>24</sup> An Interconnection Customer will be subject to a Withdrawal Penalty if it withdraws its Interconnection Request or the Generating Facility does not otherwise reach Commercial Operation unless DESC determines consistent with Good Utility Practice that: (1) the withdrawal does not negatively affect the timing or cost to interconnect of equal or lower queued projects; or (2) the cost responsibility identified for that Interconnection Customer in the current study report associated with Network Upgrades to the DESC increased by more than twenty-five percent (25%) compared to the costs identified in the previous report; or (3) if the Interconnection Customer withdraws after the Interconnection Facilities Study report is published and before providing the final Milestone Payment, and the cost responsibility for that Interconnection Customer identified in the Interconnection Facilities Study report increases by more than one hundred percent (100%) compared to the prior report.

Where an Interconnection Customer requests withdrawal during the Definitive Interconnection Study Process, DESC shall follow the process established in SCGIP Section 6.3.3.

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<sup>24</sup> Section 5.7.3 contains details certain circumstances under which projects would not be subject to the Withdrawal Penalty, including where costs increase by a certain threshold or DESC otherwise determines that other projects are not negatively affected.

and shall (i) impose the Withdrawal Penalty described in Section 5.7.3, and (ii), refund any of the eligible portion of Interconnection Customer’s study deposit that exceeds the share of the costs assigned to the Interconnection Customer that DESC has incurred after settling the final invoice pursuant to SCGIP Section 6.3.3. This determination is illustrated in Figure 7 and explained in detail below.



Calculation of the Withdrawal Penalty amount is dependent on (1) whether a demonstration of readiness was provided, and (2) the phase of the Definitive Interconnection Study Process that the Interconnection Customer is in at the time of withdrawal. Where a Withdrawal Penalty is assigned—requiring a determination that other Interconnection Customers in the Cluster are negatively affected by the Interconnection Customer’s withdrawal—Withdrawal Penalty revenues for Interconnection Customers withdrawing after M1 and before M4 will be either be equal to the Interconnection Customer’s actual allocated cost of the DISP, or the cost of the study deposit, if

the Interconnection Customer withdraws after M2. If a ready customer exits after M4, the Withdrawal Penalty will be the higher of the non-refundable pre-payment for the estimated System Upgrades allocated to the Interconnection Customer in the Facilities Study Report or five times the Interconnection Customer's actual allocated cost of the Definitive Interconnection Study Process. This amount shall be capped at two million dollars. Under this circumstance, DESC will also not be required to construct the Upgrades. Where a non-ready Interconnection Customer withdraws after M1 but before M2, the Withdrawal Penalty shall be the higher of the study deposit or two times the Interconnection Customer's actual allocated cost of the DISP. This amount shall be capped at one million dollars. Where a non-ready Interconnection Customer withdraws after M2 but before M3, the Withdrawal Penalty shall be the higher of the study deposit or two times the Interconnection Customer's actual allocated cost of the DISP. This amount shall be capped at one and one-half million dollars. Where the Interconnection Customer withdraws after M3, but before M4, the Withdrawal Penalty shall be the higher of the study deposit or three times the Interconnection Customer's actual allocated cost of the Definitive Interconnection Study Process. This amount shall be capped at two million dollars. Where the Interconnection Customer withdraws after M4, the withdrawal penalty shall be the higher of the non-refundable pre-payment for the estimated System Upgrades allocated to the Interconnection Customer in the Facilities Study Report or five times the Interconnection Customer's actual allocated cost of the Definitive Interconnection Study Process. There is no cap on the M4 Withdrawal Penalty amount for non-ready projects.

#### **11. Dispute Resolution (Appendix DESC CS §5.6.1)**

Section 5.6.1 applies when an Interconnection Customer initiates a dispute pursuant to SCGIP Section 6.2 after entering the DISP. Pursuant to Section 5.6.1, the disputing

Interconnection Customer shall have the option to either withdraw from the Cluster and be studied as part of the next Cluster or to continue being evaluated as part of the Cluster provided that it complies with all requirements of the Definitive Interconnection Study Process, including continuing to demonstrate readiness or provide financial security pursuant to Section 5.3.10 and 5.3.11.

## **V. TRANSITIONAL STUDY PROCESS**

To aid Interconnection Customers' transition to the DISP, DESC proposes to implement the transitional process outlined in Section 3 of the DESC Proposal, which largely tracks the Duke Energy Appendix. Any Interconnection Customer that has received a Queue Number but that has not executed an Interconnection Agreement with DESC prior to the effective date of the DESC Proposal may request in writing after receiving notice from DESC to be studied under: (1) the Transitional Serial Process; or (2) a Transitional Cluster Process. Alternatively, an Interconnection Customer may withdraw from the queue and reenter and participate in a future DISIS cluster. Withdrawal penalties may be applied if an Interconnection Customer withdraws from the Transition Process.

### **a. Transitional Serial Process**

The Transitional Serial Process is an option open to Interconnection Customers that have a final System Impact Study Report and an executed Facilities Study Agreement prior to the effective date of the DESC Proposal. The Interconnection Customers opting to enter the Transitional Serial Process must: (1) make a supplemental, non-refundable deposit equal to the greater of (a) one hundred percent (100%) of the System Upgrade costs identified in the Interconnection Customer's System Impact Study Report; or (b) a minimum deposit based on the Interconnection Customer's requested Maximum Generating Capacity; (2) affirm site control

consistent with SCGIP Section 1.5 to construct the entire Generating Facility and all required Interconnection facilities to the Point of Interconnection to DESC's System; and (3) provide either (a) a contract for the sale of the Generating Facility for a term of five years or less, or (b) reasonable evidence that the Generating Facility is included in DESC's Resource Plan or has received a contract award in a Resource Solicitation Process. Readiness Milestone 4 does not apply to Interconnection Customers meeting these readiness requirements. If the Interconnection Customer withdraws the Interconnection Request or otherwise does not reach Commercial Operation, the supplemental deposit amount will be forfeited to DESC. Any amounts deposited for pre-payment of System Upgrades will be used to construct the System Upgrades identified in the System Impact Study Report, except where the deposit amount is in excess of the assigned system upgrades. In certain circumstances, an Interconnection Customer may withdraw without being subject to a withdrawal penalty. If the Interconnection Customer proceeds to execute an Interconnection Agreement, the supplemental deposit shall be applied towards future construction costs required to complete the interconnection and will be reconciled by DESC.

b. Transitional Cluster Process

An Interconnection Customer with an assigned Queue Position prior to the effective date of the DESC Proposal may opt to enter the Transitional Cluster Process if the Interconnection Customer: (1) executes a Transitional Cluster System Impact Study Agreement; (2) makes a supplemental Interconnection Request study deposit, if necessary, to increase the Interconnection Customer's total study deposit to equal the deposit amount required by Section 2.1 of the DESC Proposal; (3) confirms site control consistent with SCGIP Section 1.5; and (4) provides one of the following: (a) a contract or reasonable evidence that the Interconnection Customer has established a legally enforceable obligation for a term of at least five years (or has filed a Complaint with the

Commission alleging a legally enforceable obligation has been established) for sale of the Generating Facility's energy to DESC; (b) reasonable evidence that the Generating Facility is included in DESC's Resource Plan or has received a contract award in a Resource Solicitation Process; or (c) reasonable evidence that the Interconnection Customer's Interconnection Request was accepted by DESC and its Queue Position was initially established at least 365 Calendar Days prior to DESC's initiation of the Transitional Cluster Study.

If one or more valid requests are received into the Transitional Cluster Study, DESC will facilitate an expedited 30 day customer engagement process and initiate a Phase 1 study to evaluate the impact of the proposed interconnection within the Transitional Cluster Study on the reliability of DESC's Transmission System. Consistent with the time frame for completing a Phase 1 study under the DISIS, DESC shall use reasonable efforts to complete the Transitional Cluster Study Phase 1 consisting of a power flow and voltage analysis consistent with the Phase 1 time frame in the DISIS.<sup>25</sup> The phases and corresponding studies under the Transitional Cluster Study are outlined below in Figure 8.

**FIGURE 8**  
**Multi-phase Transitional Cluster Study Process**



The Transitional Cluster Study Phase 1 report will identify the Interconnection Facilities and Network Upgrades expected to be required and provide non-binding, good faith estimates of cost responsibility and time to construct. Interconnection Customers electing to proceed to Phase

<sup>25</sup> Rather than a 120-day timeframe to complete the Phase 1 study process, the Duke Energy Appendix contains a 90-day timeframe within which to complete the Phase 1 study process.



2 are required to submit a supplemental deposit consistent with DISIS M4 deposits. Once Phase 2 commences, DESC will complete an updated power flow and voltage analysis, if necessary, a stability analysis, and a short circuit analysis. After the publication of the Transitional Cluster Study Report, each Interconnection Customer wishing to continue must: (1) submit a deposit equal to 100% of the System Upgrade costs identified in the Traditional Cluster Study Phase 2 Report; (2) demonstrate readiness by providing: (a) a contract for a term of at least five years for sale of the Generating facilities to DESC; or (b) reasonable evidence that the Generating Facility is included in DESC's Resource Plan and, if required, has filed an application for a Certificate of Public Convenience and Necessity from the Commission or has received a contract award in a Resource Solicitation Process; and (3) execute a Facilities Study Agreement to proceed with Facilities Study under SCGIP Section 4.4.

If an Interconnection Customer withdraws from the Transitional Cluster during the Phase 1 study or within thirty Calendar Days of publication of the Transitional Cluster Study Phase 1 report, the customer will not be allocated a withdrawal penalty, but will be assigned its allocated Phase 1 study costs consistent with the methodology described above. If an Interconnection Customer withdraws any time after the commencement of Phase 2, it will be subject to a withdrawal penalty and the collected amount distributed to fund Transitional Cluster Study costs or future Cluster Study costs, unless DESC determines consistent with Good Utility Practice that a Withdrawal Penalty should not be assigned.

## **VI. CONCLUSION**

Given DESC's significant stakeholder engagement on interconnection queue reform in South Carolina and the Commission's recent approval of the Duke Energy Appendix—which is substantially similar to DESC's proposal in this proceeding—it is appropriate for the Commission

to issue a decision on DESC's Application based on the filings by the parties, in lieu of an evidentiary hearing.<sup>26</sup> As such, DESC respectfully requests that the Commission permit comments on DESC's proposal to be filed by parties within 30 days from filing of this Application (on or before February 11, 2022) in lieu of pre-filed testimony and an evidentiary hearing. DESC respectfully requests 14 days to provide reply comments in response to the comments filed by parties, should circumstances warrant. Thereafter, DESC respectfully requests that the Commission issue a directive on DESC's Application on or before March 27, 2022, to be followed within 30 days by a final order. Based upon the foregoing, DESC respectfully requests that the Commission approve DESC's Application and grant such other relief as may be appropriate.

Respectfully Submitted,

s/J. Ashley Cooper  
 K. Chad Burgess, Esquire  
 Matthew W. Gissendanner, Esquire  
**Dominion Energy South Carolina, Inc.**  
 Mail Code C222  
 220 Operation Way  
 Cayce, South Carolina 29033-3701  
 Phone: (803) 217-8141  
 Fax: (803) 217-7810  
 Email: kenneth.burgess@dominionenergy.com

J. Ashley Cooper, Esquire  
 M. William Middleton, III, Esquire  
 Parker Poe Adams & Bernstein LLP  
 200 Meeting Street  
 Suite 301  
 Charleston, South Carolina 29401  
 Phone: (843) 727-2674  
 Fax: (843) 727-2680  
 Email: ashleycooper@parkerpoe.com

***Attorneys for Dominion Energy South Carolina, Inc.***

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<sup>26</sup> DESC also notes that Duke Energy conducted significant stakeholder work, which resulted in the Duke Energy Appendix that was approved by this Commission and is substantially similar to the DESC Proposal.

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JANUARY 12, 2022  
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Cayce, South Carolina

This 12th day of January, 2022.